



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
WARREN COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

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Edward B. Hatchett, Jr.
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Hayden, Secretary, Revenue Cabinet

Honorable Michael O. Buchanon, Warren County Judge/Executive

Members of the Warren County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Warren County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Warren County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Inter-Modal Transportation Authority nor those of the City-County Planning Commission which have been included in Appendix B. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Inter-Modal Transportation Authority and the City-County Planning Commission, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Warren County, Kentucky prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

To the People of Kentucky
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In our opinion, based upon our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Warren County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of June 30, 1999, in conformity with the cash basis of accounting described above.

Our audit was performed for the purpose of forming an opinion on the financial statements of Warren County, Kentucky, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. The other information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present the accompanying findings included herein, which discusses areas of noncompliance:

- The County Should Segregate Federal Matching Requirements On The Financial Statement Of The Community Development Block Grant
- All Equipment Purchased With County Community Development Block Grant Funds Should Be Properly Tagged
- The County Should Have Required The Drug Task Force Director To Be Bonded
- The Drug Task Force Should Have Issued Receipts For All Monies Received
- The County Should Have Prepared A Schedule Of Federal Financial Assistance

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2000 on our consideration of Warren County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
February 1, 2000

WARREN COUNTY OFFICIALS

June 30, 1999

Michael O. Buchanon	County Judge/Executive
Michael E. Caudill	County Attorney
Yvonne Guy	County Clerk
Pat Howell Goad	Circuit Court Clerk
Jerry Gaines	Sheriff
Jackie Strode	Jailer
William Carter	Property Valuation Administrator
Jerry Pearson	County Treasurer
Kevin Kirby	Coroner
James T. Kaelin	Magistrate
Terry Stahl	Magistrate
Tony Payne	Magistrate
Thomas Hunt	Magistrate
Lonnie White	Magistrate
Robert Donoho	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

WARREN COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets and Other Resources

Assets

General Fund:	
Cash	\$ 1,131,441
Investments	7,682,233
Road and Bridge Fund:	
Cash	27,929
Jail Fund:	
Cash	537,551
Jail Commissary Fund:	
Cash	50,671
Investments	100,000
Local Government Economic Assistance Fund:	
Cash	33,752
Investments	282,688
Grant Fund:	
Cash	29,565
Utility Tax Fund:	
Cash	335,288
Park Enterprise Fund:	
Cash	21,630
Regional Jail Corporation Fund:	
Cash	934,760
Justice Center Expansion Corporation Fund:	
Cash	3,197,966
General Obligation Bond Fund:	
Cash	6,313,214
Payroll Fund:	
Cash	84,203

Other Resources

General Fund:	
Amounts to be Provided in Future Years -	
Capital Lease Obligations - Principal Payments	537,194
Mobile Radio System - Lease Revenue Bond Principal	718,466
Regional Jail Corporation Fund:	
Amounts to be Provided in Future Years for Bond Principal Payments -	
Public Project Revenue Bonds, Series 1996	3,415,000
Justice Center Expansion Corporation Fund:	
Amounts to be Provided in Future Years for Bond Principal Payments -	
Lease Revenue Bonds, Series 1992	1,405,000
First Mortgage Revenue Bonds, Series 1997A	23,750,000
General Obligation Bond Fund:	
Amounts to be Provided in Future Years for Bond Principal Payments -	
General Obligation Improvement Bonds, Series 1999	6,505,000
Total Assets and Other Resources	<u>\$ 57,093,551</u>

The accompanying notes are an integral part of the financial statements.

WARREN COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1999
 (Continued)

Liabilities and Fund Balances

Liabilities

General Fund:

Capital Lease Obligations - Principal Payments (Note 5B) \$ 537,194

Bonds Not Matured -

Mobile Radio System - Lease Revenue Bond Principal, Series 1997 (Note 5B) 718,466

Regional Jail Corporation Fund:

Bonds Not Matured -

Public Project Revenue Bond Principal, Series 1996 (Note 5A) 3,415,000

Justice Center Expansion Corporation Fund:

Bonds Not Matured -

Lease Revenue Bond Principal Series 1992 (Note 5A) 1,405,000

First Mortgage Revenue Bond Principal, Series 1997A (Note 5A) 23,750,000

General Obligation Bond Fund:

Bonds Not Matured -

General Obligation Improvement Bond Principal, Series 1999 (Note 5A) 6,505,000

Payroll and Payroll Liabilities 84,203

Fund Balances

Reserved:

Jail Commissary Fund 150,671

Grant Fund 29,565

Utility Tax Fund 335,288

Park Enterprise Fund 21,630

Regional Jail Corporation Fund 934,760

Justice Center Expansion Fund 3,197,966

General Obligation Bond Fund (Note 5) 6,313,214

Unreserved:

General Fund 8,813,674

Road and Bridge Fund 27,929

Jail Fund 537,551

Local Government Economic Assistance Fund 316,440

Total Liabilities and Fund Balances

\$ 57,093,551

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

WARREN COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund	Jail Commissary Fund
Schedule of Operating Revenue	\$ 21,861,059	\$ 16,489,775	\$ 1,523,016	\$ 3,533,028	\$
Transfers In	1,235,952	9,233	670,000	267,330	
Borrowed Money - Kentucky Advance Revenue Program	4,000,000	4,000,000			
Bond Proceeds	6,413,760				
Interest Income	772,885				
Rental Income	331,239				
Recognized Gain on Investments	193,000				
Utility Taxes	4,247,065				
Jail Commissary Fund Receipts	392,336				392,336
Total Cash Receipts	\$ 39,447,296	\$ 20,499,008	\$ 2,193,016	\$ 3,800,358	\$ 392,336
<u>Cash Disbursements</u>					
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 20,925,633	\$ 14,834,182	\$ 2,591,373	\$ 3,165,551	\$
Payments To School Boards	4,232,361				
Schedule of Other Expenditures	12,395,136				
Transfers Out	1,235,952	870,000		289,389	67,330
Bonds:					
Principal Paid	417,742	92,742			
Interest Paid	1,534,372	17,873			
Construction Costs	203,180				
Capital Leases - Principal:					
Health Department	33,000	33,000			
Barren River Area Development District Building	75,000	75,000			
Fire Trucks	60,941	60,941			
Borrowed Money Repaid - Kentucky Advance Revenue Program	4,000,000	4,000,000			
Jail Commissary Fund Expenditures	344,764				344,764
Total Cash Disbursements	\$ 45,458,081	\$ 19,983,738	\$ 2,591,373	\$ 3,454,940	\$ 412,094
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursement:	\$ (6,010,785)	\$ 515,270	\$ (398,357)	\$ 345,418	\$ (19,758)
Cash Balance-July 1, 1998 **	26,689,473	8,298,404	426,286	192,133	170,429
Cash Balance-June 30, 1999**	\$ 20,678,688	\$ 8,813,674	\$ 27,929	\$ 537,551	\$ 150,671

*Prior Year Cash Balance Restated
(See Note 1)

**Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

WARREN COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Grant Fund	Utility Tax Fund	Park Enterprise Fund	Regional Jail Corporation Fund	Justice Center Expansion Corporation Fund	General Obligation Bond Fund
\$ 160,510	\$ 138,884	\$	\$ 15,846	\$ 289,389	\$	\$
				46,137	710,554 331,239	6,413,760 16,194
		4,247,065				193,000
<u>\$ 160,510</u>	<u>\$ 138,884</u>	<u>\$ 4,247,065</u>	<u>\$ 15,846</u>	<u>\$ 335,526</u>	<u>\$ 1,041,793</u>	<u>\$ 6,622,954</u>
\$ 209,501	\$ 125,026	\$ 4,232,361 1,748	\$	\$ 120,000 169,566 203,180	\$ 12,104,539 7,485 205,000 1,327,790	\$ 290,597 19,143
<u>\$ 209,501</u>	<u>\$ 125,026</u>	<u>\$ 4,234,109</u>	<u>\$ 0</u>	<u>\$ 492,746</u>	<u>\$ 13,644,814</u>	<u>\$ 309,740</u>
\$ (48,991) 365,431	\$ 13,858 15,707	\$ 12,956 322,332	\$ 15,846 5,784	\$ (157,220) 1,091,980	\$ (12,603,021) 15,800,987 *	\$ 6,313,214
<u>\$ 316,440</u>	<u>\$ 29,565</u>	<u>\$ 335,288</u>	<u>\$ 21,630</u>	<u>\$ 934,760</u>	<u>\$ 3,197,966</u>	<u>\$ 6,313,214</u>

WARREN COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Warren County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Intermodal Transportation Authority, Bowling Green Planning and Zoning Commission, Jail Commissary, Warren County Regional Jail Corporation, and Warren County Justice Center Expansion Corporation as part of the reporting entity. The Inter-Modal Transportation Authority and the City-County Planning Commission were audited by other auditors, whose audit reports have been included in Appendix B.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Prior Year Balances Restated

The prior year ending cash balances of the General Fund and the Justice Center Expansion Corporation Fund have been restated. The prior year financial statements separated the 911 Emergency Fund from the General Fund. The current financial statements included the 911 Emergency Fund as well as an increase of \$11,747 in the prior year ending cash balance in the General Fund. The financial statements also include an increase of \$1,605,264 in the cash balance of the Justice Center Expansion Corporation Fund. This increase was due to the omission of the Warren County Justice Center Retainage cash in the prior year financial statements.

Note 1. (Continued)

E. Legal Compliance - Budget

The Warren County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

F. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

G. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the Bowling Green Planning and Zoning Commission is considered a related organization of Warren County Fiscal Court. The Bowling Green Planning and Zoning Commission was audited by other auditors whose audit report has been included in Appendix B.

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system, which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.22 percent.

Note 2. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. The county entered into a written agreement with the depository institution and met requirements (a), (b), and (c) stated above. However, as of January 19, 1999, the collateral and FDIC insurance together did not equal or exceed the amount on deposit, leaving \$238,386 of public funds uninsured and unsecured.

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of January 19, 1999.

	<u>Bank Balance</u>
Collateralized with securities held by the county's agent in the county's name	\$ 0
Collateralized with securities held by pledging depository institution in the county's name	4,534,987
Uncollateralized and uninsured	<u>238,386</u>
Total	<u><u>\$ 4,773,373</u></u>

Note 4. Investments

The county's investments are categorized below to give an indication of the level of risk assumed by the county at year-end. Category 1 includes investments that are insured or registered or the securities are held by the county or by the county's agent in the county's name. Category 2 includes uninsured and unregistered investments where the securities are held by the financial institution in the county's name. Category 3 includes uninsured and unregistered investments where the securities were held by the financial institution, but not in the county's name.

Types of Investments	Category 1	Category 2	Category 3	Carrying Amount	Market Value
Government Notes	\$	\$ 3,796,642	\$	\$ 3,796,642	\$ 3,788,199
Government Bonds		4410		4,410	4,648
Corporate Bonds		809,294		809,294	809,463
Totals	<u>\$ 0</u>	<u>\$ 4,610,346</u>	<u>\$ 0</u>	<u>\$ 4,610,346</u>	<u>\$ 4,602,310</u>

Note 5. Long-Term Debt

<u>Obligations</u>	<u>Outstanding Balances</u>
Lease Revenue Refunding Bonds Series 1992 (A-1)	\$ 1,405,000
Public Project Revenue Bonds, Series 1996 (A-2)	3,415,000
First Mortgage Revenue Bonds, Series 1997A (A-4)	23,750,000
General Obligation Improvement Bonds, Series 1999 (A-5)	6,505,000
Capital Lease Obligations (B)	537,194
Mobile Radio System-Lease Revenue Bonds, Series 1997 (A-3)	<u>718,466</u>
Total Outstanding Balances As Of June 30, 1999	<u>\$ 36,330,660</u>

Note 5. Long-Term Debt (Continued)

A. Bond Obligations

1. Lease Revenue Refunding Bonds, Series 1992

Obligations issued by the Warren County Justice Center Expansion Corporation (formerly the Warren Public Judiciary Corporation), an agency and instrumentality of the County. These bonds were issued to advance refund First Mortgage Bonds, 1985 Series A bonds dated July 1, 1985.

The corporation has entered into a contract, lease and option with the County whereby the County has leased the Justice Center on an annual basis at a rental equal to the amount of interest on and principal of the bonds coming due and payable on July 1 and January 1 of each year. The County has an exclusive option to renew the lease each July 1. Should the County renew the lease until the bonds mature July 1, 2005, the corporation will convey the Justice Center to the County. Should the County terminate the option to the lease, the County will give, upon request, immediate possession of the Justice Center to the corporation or the trustee of the bondholders.

Although the County is obligated to pay the corporation annual rentals in the full amount of the principal and interest requirements of the bonds for each year the contract, lease and option are renewed, the County expects to receive payments for the use of the Justice Center from the Kentucky Judicial Branch, Administrative Office of the Courts (AOC). The AOC will pay directly to the trustee a portion of the County's annual rental in the form of a use allowance. In addition, the AOC will pay the County certain expenses attributable to maintaining and operating the building. As of June 30, 1999, bonds outstanding were \$1,405,000.

<u>Year Ending June 30</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2000	\$ 69,593	\$ 210,000
2001	58,549	225,000
2002	46,528	235,000
2003	33,488	250,000
2004	19,525	260,000
Thereafter	<u>12,513</u>	<u>225,000</u>
Totals	<u>\$ 240,196</u>	<u>\$ 1,405,000</u>

Note 5. Long-Term Debt (Continued)

2. Public Project Revenue Bonds, Series 1996

Obligations issued by the Warren County Regional Jail Corporation, an agency and instrumentality of the County; dated December 1, 1996 and payable in 19 annual installments beginning December 1, 1998, with semi-annual interest payments at rates ranging from 4.00% to 5.30%.

The corporation has entered into a contract lease and option with the County. The lease provides that the County shall lease the detention facility from the corporation at a rental equal to the aggregate of the principal and interest payments due on the during such period, together with the cost of operation and maintenance of such equipment and the leased premises and the cost of insuring the equipment and the leased premises.

The County has the option to renew the lease each July 1. Should the County renew the lease until the bonds mature, the corporation will convey the detention facility to the County. As of June 30, 1999, total bonds outstanding were \$3,415,000.

<u>Year Ending June 30</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2000	\$ 164,604	\$ 125,000
2001	159,311	130,000
2002	153,679	135,000
2003	147,696	140,000
2004	141,241	150,000
Thereafter	<u>1,013,891</u>	<u>2,735,000</u>
Totals	<u>\$ 1,780,422</u>	<u>\$ 3,415,000</u>

3. First Mortgage Revenue Bonds, Series 1997A

Obligations issued by the Warren County Justice Center Expansion Corporation, an agency and instrumentality of the County; dated June 1, 1997 and payable in 14 annual installments beginning September 1, 2000, with term bonds due on September 1 of the years 2015, 2017, 2024, and 2029; semi-annual interest payments at rates ranging from 5.125% to 5.250%.

The corporation entered into a contract lease and option with the Administrative Office of the Courts (AOC). The lease provides that AOC lease the project site and project at a rental equal to the full amount of the principal and interest requirements on the bonds for each year in which the lease is renewed. On July 1 of each even numbered year, the lease may be renewed by AOC for another biennial period of two years. Should the AOC renew the lease until the bonds mature, the corporation will convey the project site and the project to the County. As of June 30, 1999, bonds outstanding were \$23,750,000.

Note 5. Long-Term Debt (Continued)

3. First Mortgage Revenue Bonds, Series 1997A (Continued)

<u>Year Ending June 30</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2000	\$ 1,248,028	\$
2001	1,238,418	375,000
2002	1,219,071	380,000
2003	1,199,340	390,000
2004	1,574,224	395,000
Thereafter	<u>18,249,516</u>	<u>22,210,000</u>
Totals	<u>\$24,728,597</u>	<u>\$23,750,000</u>

4. General Obligation Improvement Bonds, Series 1999

Obligations issued by the County, dated May 1, 1999 and payable in 20 annual installments beginning March 1, 2000, with \$1,290,000 term bonds due on March 1, 2020, and semi-annual interest payments on the first of March and September at varying rates from 3.200% to 4.875%.

The bonds were issued by the County for the purpose of purchasing fire protection equipment and constructing an addition to and renovating the Warren County Regional Detention Facility. As of June 30, 1999, bonds outstanding were \$6,505,000. The fund balance of \$6,313,214, stated on page 6 of this report, of the General Obligation Bond Fund is reserved because these funds have not been spent as of June 30, 1999.

<u>Year Ending June 30</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2000	\$ 247,979	\$ 75,000
2001	294,951	160,000
2002	289,031	215,000
2003	280,861	245,000
2004	271,306	285,000
Thereafter	<u>2,445,381</u>	<u>5,525,000</u>
Totals	<u>\$ 3,829,509</u>	<u>\$ 6,505,000</u>

Note 5. Long-Term Debt (Continued)

B. Capital Leases

The County has entered into capital lease agreements with Kentucky Association of Counties Leasing Trust (KACoLT) for the purchase of office buildings for the Barren River Area Development District (BRADD) and the Health Department. The County has also entered into a capital lease agreement with Federal Signal Corporation for the purchase of fire trucks.

The BRADD building is sub-leased to BRADD for the amount required to be paid by the terms of the lease with KACoLT. The original terms of the lease were \$700,000 at 5.53% interest for 10 years.

Description	Maturity Date	July 1, 1998	Principal Paid	Interest Paid	June 30, 1999
Barren River Area					
Development District Building	04/06/2006	\$ 324,000	\$ 75,000	\$ 16,054	\$ 249,000
Health Department Building	12/19/2003	492,000	33,000	28,424	459,000
Fire Trucks	12/25/2004	495,421	54,806	26,448	\$ 440,615
Totals		<u>\$ 1,311,421</u>	<u>\$ 162,806</u>	<u>\$ 70,926</u>	<u>\$ 1,148,615</u>

Principal owed as of June 30, 1999 was \$537,194.

Mobile Radio System – Lease Payments

During 1997, the County entered into an agreement with the City of Bowling Green, Kentucky to fund 55% of the total cost associated with the purchase and establishment of a community public safety/public service mobile radio communications systems. The City of Bowling Green Municipal Projects Corporation issued \$1,560,000 of Series 1997 Lease Revenue Bonds to finance project. The County's commitment as of June 30, 1999, totals \$874,717 payable in varying amounts semiannually in conjunction with the principal and interest payments due on the bonds which mature June 1, 2007.

Year Ending June 30	Scheduled Interest	Scheduled Principal
2000	\$ 32,600	\$ 77,672
2001	29,260	80,446
2002	25,721	83,220
2003	21,976	85,994
2004	18,106	91,542
Thereafter	<u>28,588</u>	<u>299,592</u>
Totals	<u>\$ 156,251</u>	<u>\$ 718,466</u>

Note 6. Commitments and Contingencies

Contingencies:

The County has pledged on an annual basis up to a maximum of \$150,000 per fiscal year on an equal basis with the City of Bowling Green, Kentucky for debt service deficiencies on the Industrial Building Revenue Bonds, Series 1994 (National Corvette Museum project) remaining after the first \$100,000 of deficiency is covered by City of Bowling Green/Warren County hotel/motel room tax receipts. These bonds, with an outstanding balance of \$3,810,000 at June 30, 1999, mature serially in varying amounts through July 1, 2013.

In conjunction with the issuance of these bonds, the museum project real estate was conveyed to Warren County. Concurrently the museum project entered into a lease agreement for the real estate with the County, the payment terms of which mirror those of the payments of the Industrial Revenue Bonds. The lease agreement specifies that all lease payments and other payments required to be made by the museum under the lease agreement are to be used for payment of the principal and interest due on the bonds. Upon payment of the final interest and principal installment due on the bonds, the real estate will be conveyed back to the museum project.

Commitments:

During 1996, the County entered into an agreement with the City of Bowling Green, Kentucky, to fund 20% of construction costs associated with the Lovers Lane Soccer Complex. The City of Bowling Green Municipal Project Corporation issued \$2,365,000 of Series 1995 Lease Revenue Bonds to finance the project. The County's commitment as of June 30, 1999, totaled \$511,414 payable at varying amounts semiannually in conjunction with the principal and interest payments due on the bonds which mature November 1, 2015.

Note 7. Subsequent Events

A. General Obligation Bond Anticipation Notes

On July 1, 1999, the County issued \$4,540,000 of General Obligations Bond Anticipation Notes, Series 1999. The bond anticipation notes mature on September 1, 2001. The interest rate is 4.50% and interest payments are due on the first of March and September.

B. First Mortgage Revenue Bonds (AOC Judicial Facility), Series 1999B

The Warren County Justice Center Expansion Corporation, an agency and instrumentality of the County, issued \$3,460,000 First Mortgage Revenue Bonds on July 1, 1999. The bonds are payable in 15 annual installments on the 1st of March, with term bonds due on September 1, of 2019, 2024, and 2029, and semi-annual interest payments due March and September at varying rates from 3.70% to 5.50%.

Note 8. Insurance

The county was insured by Kentucky All Lines Fund (KALF) in years prior to 1996, and received a memorandum dated June 30, 1996, from the Kentucky Department of Insurance which stated that the KALF had a potential deficit. The KALF was ordered to raise additional premiums to increase program reserves for claims that occurred prior to December 31, 1995. Because the county was a participant at this time, the county is responsible for \$67,269 of additional premiums which represents the county's share of the potential deficit. The county was required to make three annual payments of \$22,423 beginning July 1, 1997. As of June 30, 1999, the county had remitted two of the annual premium payments leaving an outstanding liability of \$22,423. The county paid the final premium payment on July 7, 1999.

Note 9. Drug Task Force

The Warren County Drug Task Force maintains a confidential funds bank account for drug law enforcement. This account is funded through the Warren County Fiscal Court general fund and the United States Justice Department. The bank account had a balance of \$1,231 as June 30, 1999 and is not included in the financial statements.

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

WARREN COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds:</u>	Budgeted Operating Revenue	Actual Operating Revenue	Over (Under) Budget
General Fund	\$ 19,960,630	\$ 16,489,775	\$ (3,470,855)
Road and Bridge Fund	2,371,043	1,523,016	(848,027)
Jail Fund	3,524,744	3,533,028	8,284
Local Government Economic Assistance Fund	309,394	160,510	(148,884)
Grant Fund	187,400	138,884	(48,516)
Park Enterprise Fund	5,750	15,846	10,096
Totals	<u>\$ 26,358,961</u>	<u>\$ 21,861,059</u>	<u>\$ (4,497,902)</u>

Reconciliation:

Total Budgeted Operating Revenue Above		\$ 26,358,961
Add: Budgeted Prior Year Surplus		879,322
Less: Other Financing Uses		
Transfers to Regional Jail Expansion		
Corporation Fund - Bonds	\$ 294,566	
Borrowed Money - Kentucky Advance		
Revenue Program - Principal	4,000,000	
Other County Liabilities - Emergency		
Dispatch Service		
Bond Principal	92,742	
Bond Interest	17,873	
Capital Leases -		
Health Department - Principal	33,000	
Barren River Area Development		
District Building - Principal	75,000	
Fire Trucks - Principal	60,941	4,574,122
Total Operating Budget Per Comparative Schedule		
Of Final Budget and Budgeted Expenditures		<u>\$ 22,664,161</u>

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SCHEDULE OF OPERATING REVENUE

WARREN COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Revenue From Local Taxes <u>and Excess Fees</u>				
Sheriff:				
Taxes	\$ 4,382,309	\$ 4,382,309	\$	\$
County Clerk:				
Deed Transfer Tax	313,196	313,196		
Delinquent Taxes	32,090	32,090		
Sheriff and Clerk - 25% account (Counties over 75,000 population)	715,526	715,526		
Sheriff and Clerk - 75% account (Counties over 75,000 population)	1,028,679	1,028,679		
County Attorney - Excess Fees	26,631	26,631		
Tangible Personal Property Taxes:				
County Clerk	590,341	590,341		
Telephone 911 Surcharge	374,860	374,860		
In Lieu of Taxes:				
Tennessee Valley Authority	53,171	53,171		
Public Housing	4,932	4,932		
Other in Lieu Payments	8,470	8,470		
Totals	<u>\$ 7,530,205</u>	<u>\$ 7,530,205</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>U.S. Treasurer</u>				
Housing Federal Prisoners	\$ 370,606	\$	\$	\$ 370,606
Grants:				
COPS Universal Hiring Program	50,860	50,860		
COPS in School	22,697	22,697		
Forestry Grant	2,000	2,000		
TAP Grant	5,265	5,265		
Totals	<u>\$ 451,428</u>	<u>\$ 80,822</u>	<u>\$ 0</u>	<u>\$ 370,606</u>

WARREN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Grant Fund	Park Enterprise Fund
<hr/>	<hr/>	<hr/>

\$	\$	\$
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\$ 0	\$ 0	\$ 0
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\$	\$	\$
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\$ 0	\$ 0	\$ 0
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WARREN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance				
Grants - Coordinator Salary	\$ 19,478	\$ 19,478	\$	\$
Community Development Block				
Grants - Delefield Community				
Center	51,565			
Federal Disaster and Emergency				
Services/Emergency Management				
Agency Reimbursement	53,936	53,936		
Nature and Recreational Trails Grant	4,362	4,362		
Justice Cabinet - Byrne Formula				
Grant Program	156,996	156,996		
Totals	\$ 286,337	\$ 234,772	\$ 0	\$ 0
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 309,779	\$	\$	\$ 309,779
Medical Allotments	194,524			194,524
Driving Under The Influence Fees	29,384			29,384
Class D Felons	1,468,401			1,468,401
State Prisoner Payment-				
Community Service	570,451			570,451
County Road Aid	1,073,030		1,073,030	
Tangible Property Taxes	72,958	72,958		
Omitted Tangible Property Taxes	16,165	16,165		
Public Defender Allotment	163,784	163,784		
Truck License Distribution	161,449		161,449	
Election Expense Reimbursement	28,560	28,560		
Net Court Revenue	149,245	149,245		
Severance Taxes:				
Coal	38,212			
Mineral	106,101			
Board of Assessments	600	600		
Refunds:				
Legal Process Tax	570	570		
Drivers Licenses	8,813		8,813	
Dog Licenses	68	68		

WARREN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Grant Fund	Park Enterprise Fund

\$	\$	\$
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	51,565	
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\$ 0	\$ 51,565	\$ 0
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\$	\$	\$
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38,212
 106,101

WARREN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u> (Continued)				
Grants:				
Transportation Cabinet Grants	\$ 250,000	\$	\$ 250,000	\$
Natural Resources Grants	31,658	31,658		
Kentucky Law Enforcement Foundation Program Fund Grants	14,801	14,801		
Dead Animals Grant	5,000	5,000		
Health Service Grant	1,125	1,125		
Kentucky Heritage Council Grant	3,000	3,000		
River and Streams Grants	1,250	1,250		
Barren River Children Advocacy Gra	100,000	100,000		
Spouse Abuse Center Grant	71,428			
Economic Development - Airport Development Grant	6,000,000	6,000,000		
Disaster and Emergency Assistance Grant- Coordinator Salary	11,430	11,430		
State Emergency Management Agency Reimbursement- Tornado Damage	8,298	8,298		
Land Acquisition - Right of Way (Eastside Parks)	72,675	72,675		
Miscellaneous	2	2		
Totals	\$ 10,962,761	\$ 6,681,189	\$ 1,493,292	\$ 2,572,539

Miscellaneous Revenue

Interest	\$ 705,419	\$ 660,456	\$ 22,613	\$ 5,474
Circuit Court Clerk:				
Jail Cost	100,944			100,944
Work Release	4,296			4,296
Housing Prisoners- Other Counties	150,020			150,020
Home Incarceration	28,877			28,877
Jail Bond Acceptance	8,290			8,290
Jail:				
Telephone Commission Refunds	248,114			248,114
Licenses and Permits:				
Building Permit	73,454	73,454		
Solid Waste	577,317	577,317		
Cable TV Franchise	86,311	86,311		

WARREN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Grant Fund	Park Enterprise Fund
<u> </u>	<u> </u>	<u> </u>

\$	\$	\$
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	71,428	
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<u>\$ 144,313</u>	<u>\$ 71,428</u>	<u>\$ 0</u>
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\$ 16,197	\$ 378	\$ 301
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WARREN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u> (Continued)				
Park Concessions	\$ 22,653	\$ 22,653	\$	\$
BRADD Lease	91,053	91,053		
City of Bowling Green	127,180	127,180		
Parking Lot Rentals	1,980	1,980		
Friend of the Court Fees	30,000	30,000		
Warning System	12,682	12,682		
Telephone Commission	893	893		
Surplus Machinery and Equipment Sales	1,469	1,469		
Donations	70,137	54,624		
Rentals and Lease	11,029			
Reimbursements:				
Miscellaneous	39,555	3,494	7,111	28,950
Insurance	189,445	189,445		
Drug Forfeiture	27,585	27,585		
Vending Machine Commissions	4,994			478
Miscellaneous Items	16,631	2,191		14,440
Totals	<u>\$ 2,630,328</u>	<u>\$ 1,962,787</u>	<u>\$ 29,724</u>	<u>\$ 589,883</u>
Total Operating Revenue	<u>\$ 21,861,059</u>	<u>\$ 16,489,775</u>	<u>\$ 1,523,016</u>	<u>\$ 3,533,028</u>

WARREN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Grant Fund	Park Enterprise Fund
<u> </u>	<u> </u>	<u> </u>
\$	\$	\$
	15,513	11,029
		4,516
<u>\$ 16,197</u>	<u>\$ 15,891</u>	<u>\$ 15,846</u>
<u><u>\$ 160,510</u></u>	<u><u>\$ 138,884</u></u>	<u><u>\$ 15,846</u></u>

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

WARREN COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final</u> <u>Budget</u>	<u>Budgeted</u> <u>Expenditures</u>	<u>Under</u> <u>(Over)</u> <u>Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 61,539	\$ 61,539	\$
Office Staff	27,053	27,053	
Temporary/Part-Time	33,987	17,312	16,675
Office Materials and Supplies	6,750	6,089	661
Postal Charges	3,750	3,633	117
Printing, Stationery, and Forms	1,500	1,372	128
Travel	2,500	1,358	1,142
Office of County Attorney:			
Salaries-			
County Attorney	34,820	34,820	
Office Staff	179,225	178,470	755
Bookkeeper	10,107	10,107	
Friend of The Court	25,000		25,000
Office Materials and Supplies	17,700	17,183	517
Office of County Clerk:			
Audit Services	5,350	4,509	841
Tax Bill Preparation	18,650	18,640	10
Office of Sheriff:			
Insurance	9,701	9,426	275
New Motor Vehicles	226,599	220,409	6,190
Incentive Pay	3,000	2,591	409
Audit Services	25,000	6,795	18,205
Vehicle Repairs	40,000	23,233	16,767
Program Support	1,797,683	1,534,701	262,982
Office of County Coroner:			
Salaries-			
County Coroner	13,805	13,805	
Deputy Coroner	41,720	35,738	5,982
Autopsies and Attendant Service	15,400	15,398	2

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of County Coroner (Continued)			
Office Supplies	\$ 6,300	\$ 5,452	\$ 848
Fiscal Court:			
Magistrates-			
Salaries:			
Magistrates	135,960	134,296	1,664
Administrative Assistants	78,506	78,506	
Cable TV Personnel	8,998	8,848	150
Expense Allowance	21,600	21,392	208
Legal Advertising	30,000	29,512	488
Outside Legal Fees	40,000	14,463	25,537
Dues	1,850	1,806	44
Books and Binders	250		250
Office Materials and Supplies	3,500	3,356	144
Travel	5,750	5,716	34
Cable TV Equipment	1,000	390	610
Cable TV Consultant	4,250	1,054	3,196
Office of Property Valuation Administrator:			
Statutory Contribution	105,800	105,700	100
Office of Board of Assessment Appeals:			
Per Diem	2,000		2,000
Office of County Treasurer:			
Salaries-			
County Treasurer	37,132	37,132	
Other Salaries	26,523	26,523	
Bond	1,000	290	710
Office Materials and Supplies	3,500	2,961	539
Computer Lease Payments	20,000	19,366	634
Postal Charges	4,500	4,500	
Printing, Stationery, Forms	1,750	1,474	276
Registration, Training and Conferences	2,000	1,999	1

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of Purchasing and Personnel:			
Salaries	\$ 28,644	\$ 28,644	\$
Food Preparation and Serving Supplies	500		500
Office Supplies	1,500	1,387	113
Registration, Training, and Conferences	1,500	1,278	222
County Law Library:			
Law Librarian Salary	600	600	
Elections:			
Per Diem-			
Election Commissioners	3,560	3,554	6
Election Officers	33,900	32,530	1,370
Election Tabulators	540	325	215
Voting Machine Maintenance	17,100	367	16,733
Polling Places	1,500	1,240	260
Other Materials and Supplies	6,500	5,963	537
Postal Charges	2,000	1,904	96
Printing and Advertising	54,900	54,869	31
Planning and Zoning:			
Salaries	25,000	25,000	
Contribution	255,536	255,536	
Mapping	30,000	30,000	
Courthouse:			
Salaries-			
Custodial Personnel Salaries	45,199	45,199	
Overtime Pay	1,750	906	844
Lease Payments - Copier	4,800	4,695	105
Vehicle Maintenance and Repair	4,439	3,360	1,079
Pest Control	481	436	45
Elevator Maintenance	2,832	2,662	170
Building Maintenance Supplies	13,068	6,930	6,138
Janitorial Services	4,000	3,885	115
Food Preparation and Service Supplies	2,500	1,850	650

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Courthouse:			
Uniforms	\$ 900	\$ 887	\$ 13
Fair	1,200	1,168	32
Renewals and Repairs	16,000	498	15,502
Postage Meter	1,000	15,006	(14,006)
Telephone	20,000	16,242	3,758
Utilities	45,400	44,903	497
Utilities A and B	7,450	7,405	45
Maintenance and Repairs - Lampkin	5,000		5,000
Maintenance and Repairs - A and B	550	75	475
Materials and Supplies	4,200	1,091	3,109
District Court Building:			
Custodial Personnel Salaries	49,233	28,482	20,751
Social Security	4,229	1,948	2,281
Retirement	3,837	2,302	1,535
Employee Health Insurance	6,480	2,397	4,083
Unemployment Insurance	336		336
Worker's Compensation	2,716	2,716	
Fiscal Agent Charges	2,000	2,000	
Janitorial Services	25,700	23,407	2,293
Pest Control	800	450	350
Elevator Maintenance	2,215	2,201	14
Building Maintenance Supplies	10,600	10,555	45
Custodial Supplies	5,500	4,980	520
Uniforms	375	325	50
Insurance	5,500	5,280	220
Renewals and Repairs	3,400	2,862	538
Utilities	37,725	37,725	
Building Code Enforcement:			
Salaries	59,132	47,702	11,430
Maintenance and Repair - Vehicle	19,500	17,404	2,096
Petroleum Products	1,500	1,243	257
Printing, Stationery, and Forms	1,050	738	312
Registration, Training, and Conferences	2,450	2,411	39

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Protection to Persons and Property</u>			
Building Code Enforcement (Continued)			
Telephone	\$ 1,700	\$ 1,662	\$ 38
County Fire Department:			
Maintenance and Repair - Vehicle	25,000	14,487	10,513
Tower Rent	2,000	1,230	770
Building Maintenance Supplies	60,000	59,333	667
Training Medical Service	1,125		1,125
Utilities	45,000	43,690	1,310
Disaster and Emergency Services:			
Salaries	69,045	69,002	43
Social Security	4,897	4,887	10
Retirement	5,676	5,672	4
Employee Health Insurance	7,580	7,563	17
Unemployment Insurance	336		336
Worker's Compensation	141		141
Maintenance and Repair - Vehicle	2,255	2,254	1
Tower Rent	386	385	1
Building Maintenance Supplies	9,228	9,228	
Petroleum Products	1,976	1,924	52
Postal Charges	196	196	
Registration, Training, and Conferences	1,160	1,157	3
Telephone	2,930	2,815	115
Utilities	6,469	6,468	1
Emergency Dispatch Service:			
Contracts with City of Bowling Green	7,385	7,346	39
Telephone	340,980	329,007	11,973
Forestry Fire Protection:			
Kentucky State Treasurer - Forest Resource Services	1,750	1,706	44
Drug Enforcement:			
Salaries	53,827	53,827	
Overtime	400	301	99

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Drug Enforcement (Continued):			
Social Security	\$ 3,912	\$ 3,837	\$ 75
Retirement	4,462	4,449	13
Health Insurance	3,383	3,351	32
Unemployment Insurance	280		280
Worker's Compensation	824		824
Contracts with Government	76,350	76,158	192
Maintenance and Repairs - Vehicle	6,568	6,441	127
Rentals	3,928	3,928	
Building Maintenance Supplies	2,520	2,515	5
Law Enforcement Equipment	4,192	4,155	37
Office Supplies	5,207	5,191	16
Insurance	2,920	2,920	
Confidential Funds	25,000	25,000	
ROCIC Member	300	300	
Postage	600	600	
Training	5,254	4,951	303
Phone	8,041	7,954	87
Utilities	3,650	3,543	107
Drug Task Force:			
Vehicle Maintenance	10,000		10,000
Building Maintenance	12,000	1,509	10,491
Law Enforcement Equipment	15,500	9,116	6,384
Office Supplies	16,000	14,879	1,121
Training and Travel	14,000	3,092	10,908
Office of Public Defender:			
Contribution	163,500	163,484	16
Psychiatric Evaluation	6,000	1,050	4,950
Dog Control:			
Animal Control Program Support	105,070	105,068	2
Maintenance and Repairs - Vehicle	35,480	34,890	590

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Health and Sanitation</u>			
Sanitary Landfill:			
Salaries	\$ 34,675	\$ 26,040	\$ 8,635
Advertising	16,000	15,936	64
Maintenance and Repairs - Vehicle	1,500	1,240	260
Clean-Up Programs	26,450	16,552	9,898
Office Supplies	4,700	4,502	198
Special Projects	12,800	12,068	732
Registration, Training, and Conferences	2,050	2,004	46
Telephone	600	548	52
Communication Equipment	3,000	3,000	
Data Processing	1,500	1,500	
Water System:			
Water Lines	150,000	83,234	66,766
Health Department:			
Contribution	689,552	689,552	
Soil and Water Conservation:			
Office Staff - Water Quality	32,700	32,656	44
Secretary Salaries	14,210	12,319	1,891
Contribution	20,667	20,635	32
Senior Citizens Program:			
Contribution	9,000	9,000	
General Charity and Welfare:			
Welfare Center Contribution	65,000	65,000	
Other Social Service Programs:			
Human Rights Commission	31,040	31,040	
Community Education	9,500	9,500	
Civil Air Patrol	750	750	
BRIMS	5,000	5,000	
Kids on the Block	5,000	5,000	

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Social Services</u> (Continued)			
Other Social Service Programs:			
Rape Crisis and Prevention Center	\$ 5,000	\$ 5,000	\$
Adult Learning Center	4,000	4,000	
Family Enrichment Center	5,000	5,000	
Victim's Assistance:			
Crime Victim Service Program Support	6,000	6,000	
<u>Recreation and Culture</u>			
Parks:			
Salaries-			
Director	42,619	42,619	
Secretary	29,791	29,351	440
Maintenance and Grounds	140,526	121,986	18,540
Temporary/Part-Time Help	107,867	48,933	58,934
Other Salaries and Wages	180,028	176,350	3,678
Advertising	7,300	6,730	570
Consultant	67,530	67,250	280
Maintenance and Repairs - Vehicle	10,700	8,663	2,037
Rentals	1,000	771	229
Park Concessions	55,400	38,887	16,513
Custodial Supplies	9,000	8,614	386
Fertilizers, Lime, Chemicals and Seed	6,000	5,633	367
Machinery and Equipment	16,000	14,023	1,977
Office Supplies	4,700	4,658	42
Petroleum Products	17,400	17,342	58
Recreation Supplies and Equipment	82,245	81,976	269
Uniforms	3,600	3,160	440
Insurance	2,275	691	1,584
Special Project	6,200	6,188	12
Memberships	1,110	730	380
Postal Charges	1,500	643	857
Printing, Stationery, and Forms	4,800	4,198	602
Renewals and Repairs	19,500	19,311	189
Telephone	3,500	1,441	2,059
Travel	2,700	2,584	116

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Recreation and Culture</u>			
Parks:			
Utilities	\$ 72,980	\$ 61,549	\$ 11,431
Miscellaneous Charges	3,000	2,426	574
Maintenance Equipment	15,000	14,461	539
Motor Vehicles	31,500	31,004	496
Office Equipment	5,000	2,923	2,077
Park Improvements	244,100	218,555	25,545
Tree Grant	4,500		4,500
City of Bowling Green - Soccer Complex Deficit Funding Agreement	30,050	30,049	1
Other Recreation Programs:			
Contributions	147,324	122,793	24,531
Greenbelt Commission	27,325	27,325	
Historic Preservation	86,282	86,282	
Public Libraries:			
Contribution	325,000	300,000	25,000
Motor Vehicles	143,650	143,538	112
Cooperative Extension Service:			
Contribution	170,414	170,414	
Tourist and Convention:			
Chamber of Commerce Program	116,000	116,000	
Special District Tax	53,614	53,614	
Celebrations, Festivals and Cultural Programs:			
International Festival Contribution	5,000	5,000	
Other Cultural Programs:			
Arts Commission Contribution	73,376	73,376	
Operation Pride	48,786	48,786	
<u>Airports</u>			
Airports:			
Contribution	350,000	161,257	188,743

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Debt Service</u>			
Borrowed Money:			
Kentucky Advanced Revenue Program-			
Interest	\$ 89,467	\$ 87,511	\$ 1,956
Capital Leases:			
Health Department - Interest	33,209	28,424	4,785
Barren River Area Development			
District Building - Interest	18,982	16,054	2,928
Fire Trucks - Interest	20,315	20,314	1
<u>Capital Projects</u>			
Airports:			
Airport	5,981,100	5,917,721	63,379
<u>Administration</u>			
General Services:			
Audit Services	28,624	28,622	2
Maintenance Agreement on Computer	4,950	4,657	293
BRADD	18,000	17,493	507
Bank Charges	625	707	(82)
Insurance	303,500	245,173	58,327
Memberships - Magistrates and Judges	3,000	2,065	935
Memberships - KACO	1,700	1,700	
Memberships - NACO	1,354	1,351	3
Prior Year Adjustment	250	207	43
Reserve for National Corvette Museum	58,100	12,864	45,236
Contingent Appropriations:			
Reserve for Transfers	674		674
Fringe Benefits:			
County Contributions-			
Social Security	98,592	92,220	6,372
Retirement	103,552	93,315	10,237
Health Insurance	112,320	111,333	987

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits (Continued)			
Worker's Compensation	\$ 44,334	\$ 44,330	\$ 4
Unemployment Insurance	12,656		12,656
Total Operating Budget	\$ 16,084,908	\$ 14,834,182	\$ 1,250,726
Other Financing Uses:			
Borrowed Money - Kentucky Advance			
Revenue Program - Principal	4,000,000	4,000,000	
Other County Liabilities - Emergency			
Dispatch Service - Bond Principal	92,742	92,742	
Bond Interest	17,873	17,873	
Capital Leases -			
Health Department - Principal	33,000	33,000	
Barren River Area Development			
District Building - Principal	75,000	75,000	
Fire Trucks - Principal	60,941	60,941	
Total General Fund	\$ 20,364,464	\$ 19,113,738	\$ 1,250,726
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	\$ 37,632	\$ 37,554	\$ 78
Secretary	21,107	21,059	48
Office Supplies	11,500	10,537	963
Other Materials and Supplies	1,500	926	574
Telephone	2,500	1,021	1,479
Utilities	11,000	7,379	3,621
Miscellaneous	1,000	432	568
Road Maintenance:			
Salaries-			
Department Foreman	30,605	30,025	580
Road Labor	411,112	353,272	57,840

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u> (Continued)			
Road Maintenance (Continued)			
Salaries-			
Overtime	\$ 69,000	\$ 68,378	\$ 622
Temporary/Part-Time	15,189	475	14,714
Machinery and Equipment-			
Repairs and Renewals	186,500	185,636	864
Materials	275,000	256,119	18,881
Maintenance and Repair	10,000	339	9,661
Pipe	23,000	22,128	872
Signs	22,000	21,996	4
Salt	15,000	13,973	1,027
Travel	2,000	427	1,573
Tires and Tubes	27,500	27,123	377
Uniforms	10,000	9,805	195
Special Projects - Tree Removal	19,500	16,690	2,810
Drug Testing	2,000	181	1,819
Petroleum Products	55,000	36,703	18,297
Rentals	10,000	2,807	7,193
<u>Capital Projects</u>			
Bridges:			
Contracted Construction	546,184	546,184	
Streets and Highways:			
Contracted Construction	573,000	571,351	1,649
Contracted Construction - Improvements	185,500	139,635	45,865
Guardrail	10,219		10,219
Motor Vehicle	45,600	45,100	500
<u>Administration</u>			
General Services:			
Bank Charges	350	292	58
Prior Year Adjustments	100		100

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Administration (Continued)</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	\$ 5,500	\$	\$ 5,500
Fringe Benefits:			
County Contributions-			
Retirement	42,691	39,432	3,259
Social Security	39,012	36,213	2,799
Health Insurance	62,540	60,568	1,972
Worker's Compensation	37,356	27,613	9,743
Unemployment Insurance	3,360		3,360
Total Road and Bridge Fund	<u>\$ 2,821,057</u>	<u>\$ 2,591,373</u>	<u>\$ 229,684</u>

JAIL FUND

Protection to Persons and Property

Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 61,539	\$ 61,539	\$
Jail Personnel	875,735	874,807	928
Medical Personnel	79,623	78,276	1,347
Secretary Salaries	90,779	88,797	1,982
Food Service Personnel	74,950	73,326	1,624
Maintenance Staff	66,665	65,436	1,229
Temporary/Part-Time	178,880	176,736	2,144
Other Salaries	45,940	44,973	967
Holiday Pay	35,500	32,286	3,214
Operations-			
Advertising	170	169	1
Building Maintenance Supplies	3,500	3,326	174
Custodial Supplies	70,400	70,163	237
Communications Equipment	27,116	27,115	1
Data Processing	4,000	2,161	1,839
Education Program	1,000		1,000
Food	362,830	362,534	296

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u>			
<u>Protection to Persons and Property (Continued)</u>			
Operations (Continued)			
Food Service Equipment	\$ 3,000	\$ 40	\$ 2,960
Food Preparation and Serving	2,600	1,477	1,123
Furniture and Fixtures	4,000	1,111	2,889
Home Incarceration	9,000	7,787	1,213
Medical Services	202,300	202,215	85
Medical Supplies	28,800	28,668	132
Office Supplies	15,100	13,912	1,188
Other Materials and Supplies	17,750	17,721	29
Periodicals	1,000	594	406
Pest Control	1,560	1,353	207
Postal Charges	1,000	553	447
Printing, Stationery, and Forms	3,200	3,144	56
Prisoner Clothing	5,974	3,810	2,164
Routine Medical	121,000	120,817	183
Security Services	1,500	1,441	59
Staff Uniforms	13,700	13,543	157
Staff Travel and Training	11,300	7,562	3,738
Telephone	5,550	5,544	6
Miscellaneous Operating Expense	129,000	128,431	569
Utilities	139,100	138,102	998
Maintenance-			
Building Repairs	4,700	4,388	312
Equipment Repairs	18,600	15,332	3,268
Vehicle	12,000	11,011	989
Juvenile Detention			
Deputies Salaries	34,385	27,662	6,723
Holiday Pay	3,000	1,570	1,430
Medical Services	5,500	4,417	1,083
Food	52,300	51,769	531
Medical Services - Routine	3,400	110	3,290
Miscellaneous Operating Expense	1,000		1,000

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND (Continued)</u>			
<u>Protection to Persons and Property</u> (Continued)			
<u>Administration</u>			
General Services:			
Contingent Appropriations:			
Reserve for Budget Transfers	\$ 440	\$	\$ 440
General Services:			
Bank Charges	2,600	2,048	552
Insurance - Liability	5,536	5,000	536
Memberships	700	600	100
Prior Year Adjustments	100		100
Fringe Benefits:			
County Contributions-			
Retirement	111,008	111,007	1
Social Security	108,683	108,339	344
Health Insurance	141,600	137,494	4,106
Worker's Compensation	18,785	18,784	1
Unemployment Insurance	10,780	6,551	4,229
Total Operating Budget	\$ 3,230,178	\$ 3,165,551	\$ 64,627
Other Financing Uses:			
Transferred to Regional Jail Expansion Corporation - Debt Service	294,566	289,389	5,177
Total Jail Fund	\$ 3,524,744	\$ 3,454,940	\$ 69,804
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>General Government:</u>			
Economic Development:			
Chamber of Commerce	\$ 175,000	\$ 50,000	\$ 125,000

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND (Continued)			
<u>Protection to Persons and Property:</u>			
County Fire Department:			
Contribution	\$ 45,000	\$ 45,000	\$
Sub-Station	55,678	55,678	
Office of Public Defender:			
Mandated Support	9,715	9,715	
<u>Roads</u>			
Road Maintenance:			
Highway Equipment	49,475	49,108	367
Total Local Government Economic Assistance Fund	\$ 334,868	\$ 209,501	\$ 125,367
<u>GRANT FUND</u>			
<u>Social Services</u>			
Services to Children and Youth:			
Education Program - DARE	\$ 15,400	\$ 13,303	\$ 2,097
Other Social Services Programs:			
Spouse Abuse Grant -			
Renewals and Repairs	7,200	6,580	620
Mortgage Payoff	58,300	55,726	2,574
Office Equipment	3,000	850	2,150
Building Construction	3,500	1,600	1,900
<u>Capital Projects</u>			
Buildings:			
Delafield Community Center Grant -			
Contracted Construction	100,000	44,967	55,033
Administrative Services		2,000	(2,000)
Total Grant Fund	\$ 187,400	\$ 125,026	\$ 62,374

WARREN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>PARK ENTERPRISE FUND</u>			
<u>Recreation and Culture</u>			
Parks:			
Renewals and Repairs	\$ 5,750	\$	\$ 5,750
Total Operating Budget - All Funds	\$ 22,664,161	\$ 20,925,633	\$ 1,738,528
Other Financing Uses:			
Transfers to Regional Jail Expansion			
Corporation Fund - Bonds	294,566	289,389	5,177
Borrowed Money - Kentucky Advance			
Revenue Program - Principal	4,000,000	4,000,000	
Other County Liabilities - Emergency			
Dispatch Service - Bond Principal	92,742	92,742	
Bond Interest	17,873	17,873	
Capital Leases-			
Health Department - Principal	33,000	33,000	
Barren River Area Development			
District Building - Principal	75,000	75,000	
Fire Trucks - Principal	60,941	60,941	
TOTAL BUDGET - ALL FUNDS	\$ 27,238,283	\$ 25,494,578	\$ 1,743,705

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SCHEDULE OF OTHER EXPENDITURES

WARREN COUNTY
SCHEDULE OF OTHER EXPENDITURES

Fiscal Year Ended June 30, 1999

<u>Other Expenditures</u>	Justice Center Expansion Corporation Fund	General Obligation Bond Fund
Construction Costs - Regional Jail	\$ 12,010,111	\$ 215,946
Trustee Fees	94,428	12,023
Attorney Fees		5,950
Financial Advisors		56,678
	<hr/>	<hr/>
Totals	<u>\$ 12,104,539</u>	<u>\$ 290,597</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Michael O. Buchanon, Warren County Judge/Executive
Members of the Warren County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Warren County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated February 1, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Warren County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Warren County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Michael O. Buchanan, Warren County Judge/Executive
Members of the Warren County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
February 1, 2000

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Michael O. Buchanon, Warren County Judge/Executive
Members of the Warren County Fiscal Court

Report On Compliance With Requirements
Applicable To Each Major Program And Internal Control
Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Warren County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. Warren County's major federal programs are identified in the schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Warren County's management. Our responsibility is to express an opinion on Warren County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Warren County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Warren County's compliance with those requirements.

In our opinion, Warren County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying finding and questioned costs, included herein.

Honorable Michael O. Buchanan, Warren County Judge/Executive
Members of the Warren County Fiscal Court
Report On Compliance With Requirements Applicable To Each Major Program
And Internal Control Over Compliance In Accordance With OMB Circular A-133
(Continued)

Internal Control Over Compliance

The management of Warren County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Warren County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be a material weakness.

This report is intended for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
February 1, 2000

FINDINGS AND QUESTIONED COSTS

WARREN COUNTY
FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Warren County.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report.
3. No instances of noncompliance material to the financial statements of Warren County were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal awards programs are reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal award programs for Warren County expresses an unqualified opinion.
6. Audit findings relative to the major federal awards programs for Warren County are reported in Part C of this schedule.
7. The programs tested as major programs included: Byrne Formula Grant Program, CFDA# 16.579 and Community Development Block Grant-Delafield Community Center Project, CFDA# 14.228.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Warren County was not determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT

1. Community Development Block Grant –CFDA# 14.228

A. The County Should Segregate Federal Matching Requirements On The Financial Statement Of The Community Development Block Grant

The County's fourth quarter financial statement, budget, and appropriations ledger did not segregate the matching funds required by the funding agency. While the county did provide the required matching funds, these amounts should have been segregated on all financial records.

County Judge's Response:

The 2000-2001 budget will indicate an appropriation for Match Funds on all grants awarded to Warren County Fiscal Court.

WARREN COUNTY
FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 1999
(Continued)

B. FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT (Continued)

1. Community Development Block Grant –CFDA# 14.228 (Continued)

B. All Equipment Purchased With County Community Development Block Grant Funds Should Be Properly Tagged

The County purchased equipment for the Delafield Community Center with federal grant funds and this equipment was not tagged as property of the Warren Fiscal Court. All property purchased with federal funds should be properly tagged to provide for the safekeeping of county assets.

County Judge's Response:

The County requires that all fixed assets be tagged and recorded. The procedures for recording of fixed assets will be reviewed and corrections will be initiated.

2. Byrne Formula Grant Program-CFDA# 16.579

A. The County Should Have Required The Drug Task Force Director To Be Bonded

The Drug Task Force director was not properly bonded as prescribed by OJP M 7100 1D. The director should be bonded as he is responsible for confidential funds, which are disbursed in the form of cash, to deputies or drug informants.

County Judge's Response:

Corrected prior to end of audit.

B. The Drug Task Force Should Have Issued Receipts For All Monies Received

The Drug Task Force was not issuing receipts to customers for the sale of video surveillance tapes. The Drug Task Force should issue a receipt to the customers upon the sale of the videotapes.

County Judge's Response:

Corrected, prior to end of audit.

WARREN COUNTY
FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 1999
(Continued)

C. FINDINGS – MAJOR FEDERAL AWARDS PROGRAM AUDIT (Continued)

3. The County Should Have Prepared A Schedule Of Federal Financial Assistance

The county did not prepare a Schedule of Federal Financial Assistance detailing all Federal awards received and expended. Section 300(a) of OMB Circular A-133 requires the organization to identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. We recommend the county prepare such a schedule in the future.

County Judge's Response:

The Grant Director and Treasurer will maintain a schedule of all awards received and expended

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

WARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Federal Grantor Program Title <u>Grant Name (CFDA #)</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>Cash Programs</u>		
<u>U.S. Department of Housing and Urban Development</u>		
Passed-Through State Department of Local Government:		
Community Development Block Grant-Delafield Community Center Project (CFDA #14.228)	Not Available	\$ 51,565
<u>U.S. Department of Justice</u>		
Direct Program:		
COPS Universal Hiring Supplemental Award (CFDA #16.710)	Not Available	101,496
COPS In School Award (CFDA #16.710)	Not Available	1,967
Passed-Through State Justice Cabinet:		
Byrne Formula Grant Program (CFDA #16.579)	Not Available	153,595
<u>U.S. Federal Emergency Management Agency</u>		
Passed-Through State Department of Military Affairs:		
Disaster and Emergency Assistance Grants- Coordinator Salary (CFDA #83.534)	Not Available	19,478

WARREN COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Fiscal Year Ended June 30, 1999
 (Continued)

Federal Grantor	Pass-Through	
Program Title	Grantor's Number	Expenditures
<u>Grant Name (CFDA #)</u>	<u>Grantor's Number</u>	<u>Expenditures</u>

Cash Programs (Continued)

U.S. Department of Transportation

Passed-Through State Department
 of Local Government:

National Recreational Trails Funding Program
 (CFDA #20.219)

Not Available 4,362

Total Cash Expenditures of Federal Awards \$ 332,463

Noncash Programs

U.S. Department of Agriculture

Passed-Through State Department
 of Agriculture:

Jail Commodity Program
 (CFDA #10.550)

Not Available \$ 5,111

WARREN COUNTY
NOTES TO THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Note 1 - Basis of Presentation

This schedule is presented on a cash basis except for the noncash programs, which represents commodities received and distributed by the county. The dollar value of these commodities has been provided by the Department of Agriculture.

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CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

WARREN COUNTY FISCAL COURT

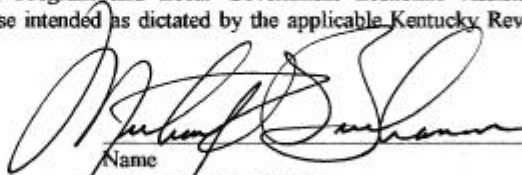
Fiscal Year Ended June 30, 1999

CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

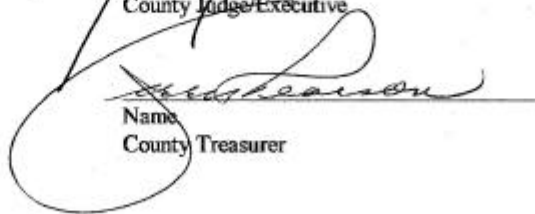
WARREN COUNTY FISCAL COURT

The Warren County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program and Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Name

County Judge/Executive



Name

County Treasurer